

---

**DEPARTMENT OF STATE REVENUE**  
**Information Bulletin #15**  
**Sales Tax**  
**November 2006**  
(Replaces Bulletin #15 dated August 2004)

**DISCLAIMER:** Information bulletins are intended to provide non-technical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules and court decisions. Any information that is inconsistent with the law, regulations, or court decisions is not binding on either the Department or the taxpayer. Therefore, information provided in this bulletin should serve only as a foundation for further investigation and study of the current law and procedures related to its subject matter.

**SUBJECT:** Application of Indiana Sales Tax to Sales of Gasoline and Special Fuels Sold Through Stationary Metered Pumps

**REFERENCES:** [IC 6-2.5-7](#), [45 IAC 2.2-7](#)

**I. Gasoline: Calculating the Tax**

A. The State Gross Retail (Sales) Tax applies to the total sales price of gasoline sold except for the part which constitutes Indiana gasoline or special fuel tax or federal excise tax. The oil inspection fee cannot be excluded from the price to determine the net price of the fuel. (See Departmental Notice 12 for further information.)

With respect to the sale of gasoline or special fuel from a metered pump, the retail merchant shall collect for each unit sold an amount equal to:

1. The price per unit before the addition of state and federal taxes;
2. Multiplied by the current sales tax rate.

B. Aviation Fuel: The federal tax on aviation fuel is also subtracted from the total sales price before computing Indiana sales or use tax.

C. Each seller is responsible for deducting the correct amount of state and federal excise tax in order to determine the base for computing sales or use tax. (See Departmental Notice 12 for the applicable state and federal excise tax rates.)

D. Price discounts and coupons offered by gasoline retailers will be treated the same as other coupons and discounts offered by other retailers. (See Information Bulletin 58)

EXAMPLE 1: A retailer offers a \$.03 per gallon discount if the purchaser has a coupon card issued by the retailer. The gasoline will be sold for \$.03 less than the pump price, and the retailer is required to remit the sales tax on the discounted price.

EXAMPLE 2: A manufacturer of a product offers a \$1 discount for the purchase of gasoline. The manufacturer reimburses the retailer for the \$1 discount. The retailer is required to remit the tax on the full price of the gasoline.

**II. Prepayment of Sales Tax on Gasoline**

At the time of purchase or shipment of gasoline from a qualified distributor, a retail merchant shall prepay to the qualified distributor the state gross retail tax. The amount of tax that must be prepaid under this section equals:

1. The prepayment rate per gallon of gasoline;
2. Multiplied by the number of invoiced gallons purchased or shipped.

The prepayment rate is the statewide average price per gallon, multiplied by the sales tax rate, multiplied by 90%. The prepayment rate shall be determined semiannually, in June and December. The prepayment rate is limited to 125% of the previous prepayment rate. The retail merchant must file monthly and remit sales tax which has been collected on the gasoline, less the amount of prepaid tax.

**III. Exempt Sales of Gasoline Through a Stationary Metered Pump**

A. All persons must pay the full pump price of gasoline sold through a stationary metered pump, whether or not an exemption certificate has been received from the purchaser.

B. If the gasoline is purchased for exempt use, the purchaser may recover sales tax paid by either of the following methods:

1. The purchaser must purchase the official form, STR-100 for gasoline. These receipts can be purchased at the Indiana Department of Revenue at cost. The signed receipts must be attached and filed on a Claim for Refund Form, (GA-110LMP). The request may be on a monthly, quarterly, semiannual or annual status; or
2. If the purchase of gasoline is made through use of a credit card of a participating credit card company, and a proper exemption certificate has been filed by the cardholder, the company will credit the purchaser's

account for the sales tax paid.

#### **IV. Special Fuel: Calculating the Tax**

A. Special fuels include those fuels commonly known as diesel fuel, biodiesel, LPG, propane, compressed natural gas and compressed methane. Fuels which are not gasoline by statute will be considered a special fuel.

B. The sales tax is applied to the total sales price of the special fuel sold (except for the part which constitutes Indiana special fuel tax or federal excise tax) unless the retail merchant designates the metered pumps by a sign that reads "TRUCKS ONLY". To do this, a retail merchant must place at the pump a sign that states that fuel dispensed from the metered pump may only be placed in the fuel supply tanks of a truck. A sign that reads "TRUCKS ONLY" is sufficient to meet the requirements. If the purchaser does not issue an exemption certificate indicating that the vehicle is engaged in public transportation, and uses a "TRUCKS ONLY" pump, the sales tax is required to be charged to the purchaser. The sales tax will be the sales tax rate times the raw price of the fuel which excludes state and federal excise taxes.

A retail merchant may not dispense special fuel from a metered pump that is designated for "TRUCKS ONLY" into the supply tank of a vehicle that is not a truck.

A retail merchant is not required to display the total price per unit of the special fuel on a metered pump, if that particular metered pump is designated for "TRUCKS ONLY".

C. Each seller is responsible for deducting the correct amount of state and federal excise tax in order to determine the base for computing sales or use tax.

#### **V. Exempt Sales of Special Fuel Sold Through a Stationary Metered Pump Designated "TRUCKS ONLY"**

A. The retail merchant may accept a properly completed exemption certificate from the purchaser of diesel or other special fuel where the sales tax is not required to be included in the pump price. The ST-105 allows a non registered exempt buyer to purchase exempt.

B. Exemption certificate Form ST-105 is normally used to certify exempt use. Farmers or others hauling their own products are not eligible for the exemption for persons engaged in public transportation. The purchaser's vehicle must be predominately engaged in providing public transportation of persons or property.

#### **VI. Exempt Sales of Special Fuel Through a Stationary Metered Pump with the Sales Tax Included in the Pump Price**

A. All persons must pay the full pump price of special fuel sold through a stationary metered pump which is not designated for "TRUCKS ONLY", unless an exemption certificate has been received from the purchaser.

B. If the special fuel is purchased for exempt use and tax is paid, the purchaser may recover sales tax paid by either of the following methods:

1. The purchaser must purchase the official Form STR-100. These receipts can be purchased at the Indiana Department of Revenue at cost. The signed receipts must be attached and filed on a Claim for Refund Form, (GA-110LMP). The request may be on a monthly, quarterly, semiannual or annual basis; or
2. If the purchase of special fuel is made through use of a credit card of a participating credit card company, the company may credit the purchaser's account for the sales tax paid, if a proper exemption certificate has been filed by the cardholder.

#### **VII. Display of Price on Pump**

A. Gasoline. The pump price of all gasoline sold through a stationary metered pump must include the total price per unit, including state sales tax.

B. Special Fuel. Sales tax on the sale of special fuel sold through a stationary metered pump designated for "TRUCKS ONLY" may not be included in the pump price.

Sales tax on the sale of special fuel sold through a stationary metered pump which is not designated for "TRUCKS ONLY" must include the sales tax.

#### **VIII. Advertised or Curb Price of Gasoline and Special Fuel**

The retail merchant may not advertise a price which is different than the pump price required to be displayed on the metered pump.

If a retail merchant advertises special fuel at a price that does not include any gross retail taxes that may be due on the sale of the special fuel, the retail merchant must display in easily read lettering, above or below the advertised price, the words "EXEMPT TRUCKS ONLY".

#### **IX. Service Station Nontaxable Transactions**

A. Labor charges separately stated on repair orders are not subject to sales tax. (Sales tax must be collected on any parts sold unless the purchaser issues an exemption certificate certifying exempt use.)

B. Charges for washes, lubrications, polishing and waxing are not subject to sales tax. (The service station must pay sales or use tax on the purchase of any supplies consumed.)

**X. Purchases by Service Stations**

A. Sales or use tax is due on the purchase or use of all supplies, equipment, parts, building repairs, etc., which are not to be resold. Examples of such purchases are:

1. Grease and greasing equipment;
2. Car washing and waxing supplies, materials, and equipment;
3. Soap, towels, brooms, paint, and all other cleaning and maintenance items;
4. All tools, equipment, and utilities used in operating the station;
5. All products taken from stock for personal use by owners or given to employees as part of their compensation; or
6. Those items purchased to be given away as part of a sales promotion such as soft drinks, glassware, candles, etc.

---

John Eckart  
Commissioner

*Posted: 11/29/2006 by Legislative Services Agency*  
An [html](#) version of this document.